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To: Microsoft ATR
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Subject: Microsoft Settlement

Microsoft (MS) has been convicted of misusing their software monopolies in restraint of trade, and this verdict has been upheld on appeal. Therefore, the treatment of this conviction by the Ashcroft Justice Department as a partisan political matter is not only shameful but dangerous to US economic health, I'm writing this to protest the way the Justice Department has handled this settlement.

As long as MS is permitted to eradicate non-MS software by abuse of their monopoly position, the US will become increasingly locked into control of computer operations by a small group of MS executives whose sole interest is their own monetary gain. The evolution of computer operations has already been seriously retarded by this monopoly, and it will become increasingly so in the future, leading to US computer technology being dependent upon increasingly outmoded software. For example, in the latest MS operating system, "Windows XP", we've seen a new MS practice of non-MS code being disabled in favor of inferior MS code, and this practice will doubtless intensify as MS becomes increasingly bold in abuse of their monopoly. This is not in the interest of US economic health.

A handling of this settlement that recognizes the importance of US economic health would have two facets:

1. Punitive. MS has profited for many years through abuse of their software monopoly. They should be punished for these illegal actions. It would be appropriate to levy large fines on the individual MS executives responsible for these activities, but doing so would be difficult administratively. Instead, MS itself should be fined. A \$25 billion dollar fine seems about right. That would still leave MS with a cash account of \$15 billion, an amount that other US corporations can only dream of.

This money should be placed in a fund to be administered by a court-appointed body. It would judge whether to grant funds to nonprofit organizations that apply for them. An initial grant of \$1 billion or more should be made to schools to use as they see fit for purchase of computer technology. This would replace the MS proposal of their donation of MS software to schools, since this activity, if approved, would probably lead to the destruction of Apple Corporation, one of the few remaining sources of innovation in the computer world.

2. Administrative remedy. Any action here should be aimed not at the destruction of MS "Windows" and "Office" monopolies; large US organizations need the ease of communication that these

universally-employed systems furnish. But, the stultifying effect produced by MS actions designed to retain and extend these monopolies should be attacked.

The simplest way to do this is to admit the monopoly and place all MS software in the public domain. Were this done, competing but compatible versions with valuable software innovations would quickly appear, which would advance US software development greatly. The MS code should be deposited with a court-appointed body for sale to applicants. Revenues could go to MS. When MS writes a change in this software that change should be withheld from public domain for a time (one year?) sufficient to allow MS to make a profit on its research investment. This would allow MS to truly produce the innovations that they constantly claim to produce, although hitherto their software development has actually been not innovation but purchase or copying of the innovations of others.

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